

INTRODUCTION

Since 1998, the Minneapolis Police License Investigations Division (LID) has played an important role in helping reduce youth access to alcohol from licensed retailers. To date over 2,400 compliance checks, re-checks, and on-complaint checks having been conducted. For the first year in a number of years the results are causing some concern. In 1998, only 53% of the retailers shopped refused to sell to the underage shopper and the compliance percentage continued to improve through 2004 (86%). In 2005 we observed some sliding back that we feel is unacceptable.

In 2004, the criteria for selecting which businesses to conduct compliance checks at was modified to devote more resources to new liquor businesses and ones which had previous compliance failures and those who had not qualified for the "A" list. These businesses were placed on a list that is referred to as the "B" list. Businesses that had previously passed multiple checks without a failure were placed on a list that is referred to as the "A" list.

The License Inspections Division attempts to check the businesses on the "A" list at a rate of 25% within the calendar year. They were randomly shopped.

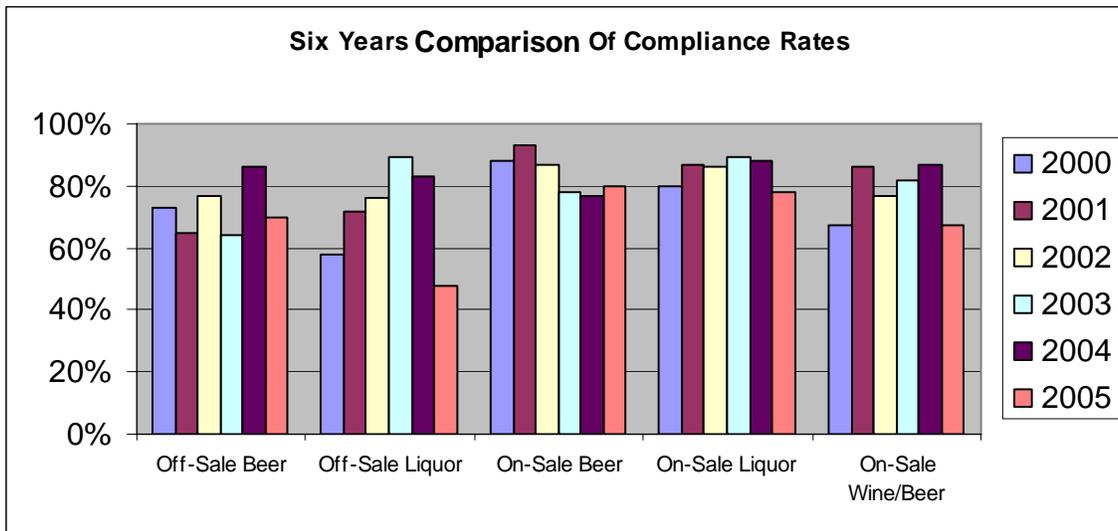
In 2005, the License Division's goal was to check the "B" list liquor businesses at a rate of 100% per year.

This year, 329 retailers were randomly checked and 87 re-checked. On-sale retailers passed random checks 75% of the time, down 12% from 2004. Off-sale retailers also passed 62% of the time, down 25% from 2004.

In collaboration with the City's Liquor Industry, the Minneapolis Police Department's License Investigations Division submitted to the City Council a strategy for conducting compliance checks at large venues such as Convention Center events, professional sports events and large temporary events (Aquatennial Block Party, Uptown Art Fair, etc.). In the closing months of the year the City Council passed this recommendation for change in the administrative fine schedule.

Further collaboration with the Minnesota State Patrol, University of Minnesota Police Department, Minneapolis Park Police and other units of the Minneapolis Police Department attempted to address the sale of alcoholic beverages and beer to underage parties by unlicensed establishments (Tippling Houses and "Party" houses) near the Minneapolis University of Minnesota Campus. Four nights, in the fall of 2005, were selected and led to the issuance of over 400 citations for consumption by a minor, criminal complaints, gross misdemeanor level, for the sale of the alcoholic beverages or beer to an underage party, and enforcement of traffic regulations (DWUI, open bottle in vehicle, etc.) in the targeted areas. In 2006, the License Investigations Division has plans to expand this program and attempt to attack the service of alcoholic beverage to underage parties through non-licensed establishments.

Six Year Comparison of Businesses that Refused to Sell to an Underage Buyer during a Random Compliance Check



	2000	2001	2002	2003	2004	2005
Off-Sale Beer	73%	65%	77%	64%	86%	70%
Off-Sale Liquor	58%	72%	76%	89%	83%	48%
On-Sale Beer	88%	93%	87%	78%	77%	80%
On-Sale Liquor	80%	87%	86%	89%	88%	78%
On-Sale Wine/Beer	67%	86%	77%	82%	87%	67%
All Off-Sale	70%	68%	77%	76%	85%	62%
All On-Sale	78%	88%	85%	87%	87%	75%
Over All Averages	74%	78%	81%	82%	86%	69%

INITIATING THE COMPLIANCE DETAILS

In April 2005 the License Investigations Division changed commanders; Lt. Robert Skomra replaced Lt. Janee Harteau.

Sgt. Travis Glampe, liquor inspector, coordinated the compliance project and worked closely with other Police License Investigation Division (LID) personnel. Staff prepared for the detail using knowledge gained from prior years' compliance checks. The division, again, used compliance operation guidelines created by the University of Minnesota Department of Epidemiology.

Compliance Check Preparation included:

- identifying every licensed beverage alcohol retailer in Minneapolis by type of license.
- Meeting with the Minneapolis Hotel Association to inform the Association and its members of the upcoming in-room mini-bar compliance checks. This meeting was followed up with a letter to all Minneapolis hotels, and motels informing them of the upcoming compliance checks and a list of suggestions on how to minimize the risk of serving alcoholic beverages to underage patrons from in-room mini-bars.
- In cooperation with the Police Department's First Precinct, monthly meetings were held with the following downtown area license holders to discuss concerns of both the police and the involved businesses. The goals of these meetings are a continuing effort to enhance public safety; foster an atmosphere of cooperation; and make downtown Minneapolis a safer and successful business district. The attendees were made up of representatives of:
 - Various license holders of liquor licenses in the Downtown Commercial District
 - Various license holders of liquor licenses in the Warehouse District
 - MADD (Mothers Against Drunk Driving)
 - Minnesota Liquor Beverage Association
 - Members of the Manager/Server training companies approved by the City of Minneapolis
 - Representatives of the City of Minneapolis' Consumer Services and Licenses
 - Representative of the Minneapolis City Attorney's Office
 - Representative of the Minneapolis Fire Department
 - Representatives of the Minneapolis Police Department's:
 - License Investigations Division
 - First Precinct
 - Representative of other City of Minneapolis departments such as;
 - Minneapolis Convention Center
 - Public Works
- Recruiting and training 18, 19 and 20 year-old compliance shoppers.
- Utilization of division staff to conduct compliance checks during Aquatennial festivities to combat underage service to minors.
- Several informational and cooperative meetings were held with representatives of:
 - The Metropolitan Sport Commission
 - The Target Center
 - The Minneapolis Convention Center
 - The Minnesota Vikings Professional Football Team
 - The Minnesota Twins Professional Baseball Team
 - The Minnesota Timberwolves Professional Basketball Team
 - The Minneapolis Police Department's License Investigations Division
 - The City of Minneapolis' Regulatory Services

- Kelber Catering (liquor and beer service contractor for the Convention Center)
- Aramark (liquor and beer service contractor for the suites at the Metrodome and the general service sites at the Target Center)
- Centerplate (liquor and Beer service contractor for the general service sites at the Metrodome)

These meetings led to the adoption of revisions to the Minneapolis Administrative Fine schedule to reflect fair and equitable enforcement of statutes/ordinance that deal with the sale of liquor or beer to underage parties at large venues events (more than 20 points of service and a projected level of over 3,000 customers).

Profile of an Underage Shopper

The LID used a variety of male and female shoppers of varying races. All were 18 to 20 years of age; all were instructed to wear casual attire from their normal wardrobe. All shoppers were instructed to be themselves and do nothing to try and appear older than they were.

Each shopper was briefed, and photographed prior to each detail to ensure the validity of their state-issued identification. Each was instructed to use his/her actual state issued identification. It was impressed upon each shopper that under no circumstances were they to trick or deceive a beverage alcohol dealer while attempting to make a purchase. Each shopper was instructed that if he/she was asked their age, they were to tell the seller their true and correct age. If asked for proof of age, they were to give the seller their own state issued driver's license or identification card.

Scenario of a Typical Compliance Check

Prior to each operation, License Investigations Division's liquor Inspector identifies the licensees to be visited that day from a list of licensed Minneapolis alcohol retailers the selection of the retailers to be checked is determined using the following criteria:

1. Selected new licensees who have no compliance check history;
2. Selected establishments that have recently failed a compliance check; and
3. Selected establishments that had not successfully passed two successive compliance checks in successive years.
4. 25% of the businesses that have successfully passed two consecutive compliance checks.

This criterion was developed to be in accordance with 2004 guidelines.

Compliance checks are also tracked by ward and license type.

Anyone who sells alcohol to an underage shopper is considered for criminal prosecution, at the gross misdemeanor level, by the City of Minneapolis' Attorney's Office. Shoppers are monitored and, whenever practical, transactions are electronically recorded. Monitoring consists of one or two, two preferred, sworn staff who position themselves to witness the transaction. This serves a dual purpose:

1. To ensure the safety of the underage buyer and
2. To provide additional testimony in later legal proceedings.

To accommodate the differences that exist between On and Off Sale establishment, the compliance checks contain various approaches.

Off- Sale Establishments

The undercover officer(s) and shopper normally enter the business at different times. The underage buyer is instructed to attempt to purchase an alcoholic beverage. The officer(s) act as a separate potential customer and position themselves to see and hear the transaction.

On-Sale Establishments

1. Under most circumstance, undercover officer(s) and the underage buyer(s) enter the establishment separately, as customers.
2. The witness officer(s), under certain circumstances, such as outside patio areas, can stand outside of the establishment's licensed premises and observe the sale to the underage buyer.
3. One or more underage buyers inside as customers; with a sworn officer(s) located inside as witness.

What happens next is determined by whether or not the underage buy was able to buy an alcoholic beverage.

In Compliance

- If the employee refuses to sell to the shopper one or more of the following actions is taken;
 1. A copy of the compliance report is left with a representative of the license holder, preferably a owner or manager, immediately after the successful check or
 2. A delivery of the compliance report is delayed to ensure the remainder of the scheduled compliance checks are not jeopardized. **(Appendix B-1)**
 3. The next business day, a follow-up letter is sent to the licensee congratulating them for the successful compliance check. **(Appendix B-2)**
 4. A copy of both the compliance report and the letter is placed in the licensee's contact file in the LID.

In Violation

- If the employee sells an alcoholic beverage to the underage buyer the following actions are taken;
 1. The manager on duty and violating employee are notified. If a manager is not present, officers attempt to make contact via telephone.
 2. A copy of the compliance report indicating the violation and how many violations the business has had in the past 24 months is left with/for the management **(Appendix B-1)**.
 3. As a normal practice an Administrative Citation is issued to the license holder or its representative on the date and time of the violation. **(Appendix C-1)**

4. The server/seller who is responsible for the underage buyer(s) receiving the alcoholic beverage is informed that the case will be referred to the Minneapolis City Attorney, requesting they be charged with a gross misdemeanor under the appropriated Minnesota State statute. If charged, the City attorney will notify them by mail. A form containing this information is issued to the seller. **(Appendix C-2)**.
5. A copy of the compliance report is placed in the licensee's file in the License Investigations Division.

2005 Alcohol Compliance Random Checks "A" List

	Random Compliance Checks Done	Percent of all Compliance Checks	PASS	PERCENT PASS	FAIL	PERCENT FAIL
Off-Sale Beer	12	15%	11	92%	1	8%
Off-Sale Liquor	6	8%	4	67%	2	33%
On-Sale Beer	4	5%	4	100%	0	0%
On-Sale Liquor	44	56%	34	77%	10	23%
On-Sale Wine w/Beer	13	16%	7	54%	6	46%
Total	79	100%	60	76%	19	24%
All Off-Sale	18	23%	15	83%	3	17%
All On-Sale	61	77%	45	74%	16	26%
Total*	79	100%	60	76%	19	24%
* Totals do not reflect establishments not open, no longer selling alcohol or in business						
2005 Random Results			76%		24%	

2005 Alcohol Compliance Re-Checks "A" List

	Alcohol Compliance Re-Checks Done	Percent of all Compliance Re-Checks	PASS	PERCENT PASS	FAIL	PERCENT FAIL
Off-Sale Beer	1	7%	1	100%	0	0%
Off-Sale Liquor	3	20%	2	67%	1	33%
On-Sale Liquor	6	40%	6	100%	0	0%
On-Sale Wine w/Beer	5	33%	4	80%	1	20%
Total	15	100%	13	87%	2	13%
All Off-Sale	4	27%	3	75%	1	25%
All On-Sale	11	73%	10	91%	1	9%
Totals*	15	100%	13	87%	2	13%
* Totals do not reflect establishments not open, no longer selling alcohol or in business						
2005 Re-check Results			87%		13%	

* Group "A" are businesses that have passed two or more consecutive compliance checks within the past four years with no subsequent failures. 25% of these businesses were randomly shopped in 2005.

2005 Alcohol Compliance Random Checks "B" List

	Random Compliance Checks Done	Percent of all Compliance Checks	PASS	PERCENT PASS	FAIL	PERCENT FAIL
Off-Sale Beer	28	11%	17	61%	11	39%
Off-Sale Liquor	15	6%	6	40%	9	60%
On-Sale Beer	11	4%	8	73%	3	27%
On-Sale Liquor	126	51%	98	78%	28	22%
On-Sale Wine w/Beer	65	26%	46	71%	19	29%
Temporary Beer	4	2%	2	50%	2	50%
Total	249	100%	177	71%	72	29%
All Off-Sale	43	16%	23	53%	20	47%
All On-Sale	229	83%	151	66%	50	22%
All Temporary Beer	4	1%	2	50%	2	50%
Total*	276	100%	176	64%	72	26%

* Totals do not reflect establishments not open, no longer selling alcohol or in business

2005 Random Results **64%** **26%**

2005 Alcohol Compliance Re-Checks "B" List

	Alcohol Compliance Re-Checks Done	Percent of all Compliance Re-Checks	PASS	PERCENT PASS	FAIL	PERCENT FAIL
Off-Sale Beer	7	10%	5	71%	2	29%
Off-Sale Liquor	10	14%	8	80%	2	20%
On-Sale Liquor	29	41%	27	93%	2	7%
On-Sale Wine w/Beer	23	32%	15	65%	8	35%
On-Sale Beer	2	3%	2	100%	0	0%
Total	71	100%	57	80%	14	20%
All Off-Sale	17	24%	13	76%	4	24%
All On-Sale	54	76%	44	81%	10	19%
Totals*	71	100%	57	80%	14	20%

* Totals do not reflect establishments not open, no longer selling alcohol or in business

2005 Re-check Results **80%** **20%**

2005 Combined Random Rechecks and Alcohol Compliance Checks

	Compliance Checks Done	Percent of all Compliance Checks	PASS	PERCENT PASS	FAIL
Off-Sale Beer	48	12%	34	71%	14
Off-Sale Liquor	34	8%	20	59%	14
On-Sale Beer	17	4%	14	82%	3
On-Sale Liquor	205	50%	165	80%	40
On-Sale Wine w/Beer	106	26%	72	68%	34
All Temporary Beer	4	1%	2	50%	2
Total	414	100%	307	74%	107
All Off-Sale	82	20%	54	66%	28
All On-Sale	328	79%	251	77%	77
All Temporary Beer	4	1%	2	50%	2
Total*	414	99%	305	74%	105
2005 Combined Results			74%		25%

2005 Random Alcohol Compliance Check Expenses and Revenues

General Fund

2005 Expenses for 38 details that generated 329 initial random checks, and 87re-checks.

Straight Time Expense	Shifts	Hours	Rate	Total
Officers	39	4		\$ -
Sergeants	43	4		\$ -
Detail Admin (@3 hours each)	44	132	\$ 21.35	\$ 2,818
				<u><u>\$ 2,818</u></u>

Overtime Expense (4100)

The 2005 Youth Access to Alcohol Compliance Program was completed without any overtime expense to the general fund.

Underage Shoppers	\$ 10.00	<u><u>\$ 3,430</u></u>
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General Fund Expense	<u><u>\$ 6,248</u></u>
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Grant

Grant Expenses (4200)

OT Hours

Officers	\$ -
Sergants	\$ -
	<u><u>\$ -</u></u>

Total 2005 Expenses	<u><u>\$ 6,248</u></u>
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Revenues

Grant Revenues	\$ -
Civil fine revenues collected	\$ 85,254
Civil fine revenues due & payable	\$ 11,000
Total 2005 Revenues	<u><u>\$ 96,254</u></u>

Net Revenue from 2000 compliance checks	\$ 10,151
Net Revenue from 2001 compliance checks	\$ 18,972
Net Revenue from 2002 compliance checks	\$ 19,343
Net Revenue from 2003 compliance checks	\$ 16,549
Net Revenue from 2004 compliance checks	\$ 13,991
Net Revenue from 2005 compliance checks	\$ 96,254
Net Revenues 2000-2005	<u><u>\$ 175,260</u></u>

HIGHLIGHTS OF THE 2005 ALCOHOL COMPLIANCE INITIATIVE

2005 was a year made up of both successes and some failures. The compliance failure rate was greater, on an average, than it had been for a number of years, hovering at or near the 30%. However, the number of compliance checks conducted was near double of what it had been in 2004.

Regardless of the yardstick one uses – heightened awareness by liquor retailers and their employees of their responsibility to not sell to a minor; increased use and acceptance of server training and performance incentives to insure compliance; cost/benefit to the City; or reduced probability of a retailer selling to a minor – the current Minneapolis youth access to alcohol compliance program and penalty matrix are a success.

With this goal in mind, and having thoughtfully reviewed the concerns and suggestions provided by industry and advocacy representatives at various meetings, staff recommended the following modifications that were to be implemented in the 2004 and 2005 compliance program.

Prior Compliance Check Program

All Retailers were combined in a Single Group

- Every retailer was shopped at least once every two years AND
- 5% of retailers were shopped in their off-year, leaving the possibility open to being shopped every year.

Any retailer that failed a shopping was re-checked at least twice in the next 24 months

There were an estimated 594 businesses in Minneapolis with permanent on-sale or off-sale retail alcohol licenses at the start of the 2002 compliance program. At the start of 2005 it is estimated that the number has increased to over 700.

Table A reflects estimated checks and re-checks that would have been conducted in 2004 and 2005 using the prior program. (16% random fail rate assumed; same fail rate as 2003.)

TABLE A	2004	2005
Random Checks – Half plus 5%	327	385
Re-Checks – Including 12 from 2003	64	87
Total	391	472

Modified Compliance Check Program Initiated in 2004

Retailers Were Grouped By Their Performance Over Past Four Years

Group A:

Are retailers that have passed two (2) or more consecutive attempts without a subsequent failure.

- 25% were randomly shopped

Group B:

Are retailers that have not passed two (2) or more consecutive attempts, in separate years, without a subsequent failure.

- 55% were randomly shopped

Retailers from either group that failed a compliance check were re-checked within 30 to 60 days. If they passed the re-check, they were placed in group B and no further re-checks were made. If they failed, they were re-checked a second time within 30 to 60 days. If they passed the second re-check, they were placed in group B. Any retailer failing up to three (3) compliance checks within 24 months was subject to the established penalty matrix. Any Retailer failing four (4) checks within 24 months was referred to council for disciplinary action in accordance with penalty matrix.

2004 Projections Using Modified Program

Table B checks and re-checks to be conducted in 2004 using recommended program. 326 businesses have two or more consecutive passes and no subsequent failures in the past four years. 16% random fail rate assumed (same fail rate as 2003)

Effects of the modified compliance program on operations:

- Insured any retailer could be shopped – regardless of past performance.
- 29% fewer random checks overall because the probability of a retailer in Group A being shopped dropped from 55% to 25%.
- Reduced by over 50% the number of random checks made on businesses with history of not selling to underage shoppers.
- Increased timeliness of re-checks on businesses that did sell to an underage shopper.
- If a business failed, it was the Police License Division's goal to conduct a re-checked within 30 to 60 days - versus within 6 months prior to 2004.
- Decreased the total number of re-checks if a retailer passes the first one following a failure.
- If it passed first re-check, it was placed in Group B.
- If it failed first re-check, it was shopped again within 30 to 60 days.

2004 Measurable outputs from modified program

- *Compliance rate in Group A increased 1% from 85% to 86%*
- *Compliance rate in Group B increased 2% - from 85% to 87%*
- *Re-check pass rate decreased in both groups. In 2004, Group A had 80% pass rate for re-checks and Group B had 82% Overall pass rate for re-checks in 2003 was 86%.*
- *Overall compliance rate for random checks increased from 85% in 2003 to 86% in 2004.*

Modified Compliance Check Program Initiated in 2005

Group A:

Are retailers that have passed two (2) or more consecutive attempts without a subsequent failure.

- 25% were randomly shopped

Group B:

Are retailers that have not passed two (2) or more consecutive attempts, in separate years, without a subsequent failure (Including new businesses).

- 100% were to be randomly shopped

In 2005 the License Investigation Division, along with input from the alcohol service industry, increased the number of compliance checks that were to be completed.

Compliance checks on A-list establishments were to remain at 25%. However, the A-list checks were no longer going to be random. Due to the randomness of the businesses selected for checks during the previous years, some businesses had not been checked since 2000, whereas others businesses were checked on a yearly basis. License Investigation Division staff selected the A-list checks to be done, by selecting those businesses that had not been checked for the longest period of time.

As with the A-list, a number of B-list businesses had not been check for many years while some were being checked every year. The License Investigation Division also became aware that there were businesses on the B-list that had never failed a compliance check and had never been checked twice and given an opportunity to be placed on the A-list. In an effort to bring balance and fairness to the B-list compliance checks a goal was set of checking 100% of the B-List. Along with attempting to check 100% of the B-List businesses, an effort was made to check new businesses as they opened through out the year, rather than wait for the following year and place them in the random draw. Another modification in 2005 involved checking large venues (Metrodome, Target Center, and Convention Center) and temporary alcohol license holders (The Sons of Norway's Uptown Art Fair and the Downtown Council's Aquatennial Block Party).

As a result of the above modifications in 2005 more compliance checks were completed (411 in 2005 as compared to 274 in 2004) and more businesses were contacted (327 in 2005). It also resulted in compliance checks being done in businesses that hadn't been contacted by the License Investigation Division since 2000.

The necessity of increasing contact with liquor related businesses in 2005, and the need to continue this increased contact in 2006 was shown in the final results. In 2005 the industry failed compliance checks 25% of the time. If we take out the businesses that failed a check(s) and then passed a recheck, keeping in mind that these businesses would have known we would be returning in a short amount of time for a recheck, the failure rate increases to over 30%.

2005 Measurable outputs from modified program

- Change in random compliance rate of A-list businesses that have previously passed two or more checks without a subsequent fail, when efforts were made to check those businesses that had not had a compliance check completed for the greatest period of time.
Compliance rate in Group A decreased 11% from 86% to 75%
- Change in compliance rate for businesses on the B-list when an effort was made to conduct compliance checks at 100% of the businesses.
Compliance rate in Group B decreased 21% - from 87% to 68%
- Change in overall compliance rate when the overall number of compliance checks increased, with an emphasis on increasing compliance checks on the B-list businesses and those businesses that haven't been checked in the greatest amount of time.
Overall compliance rate decreased 11% from 86% to 75%. The decrease is more dramatic if the compliance checks involving successful rechecks are not included. If the successful rechecks are omitted, the compliance rate decreased 16% from 86% to 70%.

2005 Liquor, Wine and Beer Licenses by Ward

Ward	On Sale Liquor	Pct	On Sale Wine	Pct	On Sale Beer	Pct	Off Sale Liquor	Pct	Off Sale Beer	Pct	Pct of All Licenses
1	9	4%	10	9%	0	0%	4	12%	8	17%	8%
2	18	9%	13	12%	7	41%	1	3%	3	6%	10%
3	15	7%	0	0%	2	12%	9	26%	4	8%	7%
4	0	0%	2	2%	0	2%	4	12%	0	0%	1%
5	56	27%	9	8%	0	0%	1	3%	4	8%	17%
6	9	4%	8	8%	1	6%	0	0%	5	10%	6%
7	54	26%	13	12%	1	6%	6	18%	2	4%	19%
8	3	1%	11	10%	0	1%	0	0%	5	10%	5%
9	14	7%	9	8%	1	6%	4	12%	7	15%	9%
10	21	10%	18	17%	3	18%	0	0%	3	6%	11%
11	5	2%	3	3%	0	0%	3	9%	2	4%	3%
12	0	0%	4	4%	2	12%	2	6%	5	10%	3%
13	1	0%	6	6%	0	0%	0	0%	0	0%	2%
Totals	205	100%	106	100%	17	103%	34	100%	48	100%	100%
Total Licenses All Types		410									